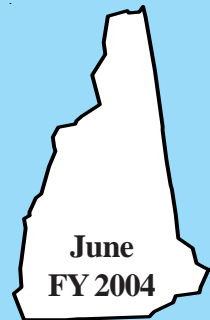


State Of New Hampshire Monthly Revenue Focus

Department of Administrative Services

Commissioner Donald S. Hill



Monthly Revenue Summary

	<u>FY 04</u>	<u>FY 03</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 204.9	\$ 184.0	\$ 20.9
Highway	\$ 19.3	\$ 16.4	\$ 2.9
Fish & Game	\$ 1.2	\$ 1.6	\$ (0.4)

Current Month Analysis

General & Education Funds	<i>FY04 Actuals</i>	<i>FY04 Plan</i>	<i>Actual vs. Plan</i>
Business Profits Tax	\$ 29.7	\$ 37.5	\$ (7.8)
Business Enterprise Tax	34.7	24.0	10.7
Subtotal	64.4	61.5	2.9
Meals & Rooms Tax	15.0	15.9	(0.9)
Tobacco Tax	9.1	7.8	1.3
Liquor Sales and Distribution	10.6	10.0	0.6
Interest & Dividends Tax	9.2	9.3	(0.1)
Insurance Tax	16.5	14.8	1.7
Communications Tax	6.4	5.7	0.7
Real Estate Transfer Tax	13.6	12.2	1.4
Estate & Legacy Tax	2.5	(1.7)	4.2
Court Fines & Fees	2.4	0.6	1.8
Securities Revenue	0.4	0.7	(0.3)
Utility Tax	0.5	0.5	-
Board & Care Revenue	1.3	1.5	(0.2)
Beer Tax	1.1	1.3	(0.2)
Racing Revenue	0.4	0.2	0.2
Flexible Grant	-	-	-
Other	9.6	5.6	4.0
Transfers from Sweepstakes	12.3	11.0	1.3
Tobacco Settlement	-	-	-
Utility Property Tax	2.7	4.7	(2.0)
Property Tax Not Retained Locally	-	-	-
Property Tax Retained Locally	-	-	-
Subtotal	178.0	161.6	16.4
Net Medicaid Enhancement Rev Recoveries	17.4	22.1	(4.7)
Subtotal	4.1	1.2	2.9
Subtotal	199.5	184.9	14.6
Other Medicaid Enhancement Rev to Fund Net Appropriations	5.4	-	5.4
Total	\$ 204.9	\$ 184.9	\$ 20.0

The revenue basis in this June 2004 Monthly Revenue Focus represents **PRELIMINARY CASH** for fiscal 2004 and is unaudited. Preliminary accrual reports will be issued during the last week of July and final accrual results will be available at the conclusion of the audit after year-end accounts receivable and other adjustments are analyzed. In doing comparisons to the prior year, note that the fiscal 2003 results represent final audited amounts and are on the accrual basis.

Consistent with the signs of recovery and growth in the economy, revenue performance was better than anticipated. Fiscal 2004 unrestricted revenue collections for the General and Education funds totaled \$2,158.2 million, which exceeded prior year by \$109.2 million and came in ahead of the original budget by \$44.4 million.

Business Taxes totaled \$408.0 million for the year, which was \$4.2 million ahead of plan and above prior year by \$15.2 million. June collections were in line with expectations, and came in ahead of estimates by \$2.9 million.

With interest rates remaining at historic lows, **Interest & Dividends Tax** collections fell short of both prior year and plan by \$1.4 million and \$7.3 million, respectively.

In October 2004, the State received the second of two \$25 million **Flexible Grant** payments relating to the Federal Jobs and Growth Reconciliation Act of 2003. The initial Flexible Grant payment of \$25 million was recorded as unrestricted revenue in Fiscal 2003. The budget as authorized by Chapter 318 Laws of 2003 included the entire \$50 million as the revenue estimate for the Flexible Grant in FY04 and, therefore, a \$25 million shortfall is being reported.

Minimizing the impact of the I&D and Flexible Grant shortfalls was the strong fiscal year performance from the Real Estate Transfer Tax, Estate & Legacy Tax, and Tobacco Tax. As the result of increasing home prices, sales activity spurred by low interest rates and the effects of Chapter 158:27 Laws of 2001, which repealed the exemption from the **Real Estate Transfer Tax (RET)** for certain business transaction, RET collections came in \$16.5 million above plan and \$18.8 million above prior year. The **Estate & Legacy Tax (E&L)** benefited from large one-time gains in February, which resulted in YTD collections of \$35.0 million, \$15.6 million above plan. Due to the phase out of the E&L tax, it is anticipated that the net change in year-end receivables will result in a reduction of \$7.0 million from the cash basis revenue. The **Tobacco Tax** continued to benefit from tax advantages over neighboring states with collections for the year exceeding both prior year and plan by \$5.0 million and \$4.2 million, respectively.

Other revenue receipts for June came in at \$4.0 million above plan and includes a \$4.6 million escheatment, which was originally budgeted for January.

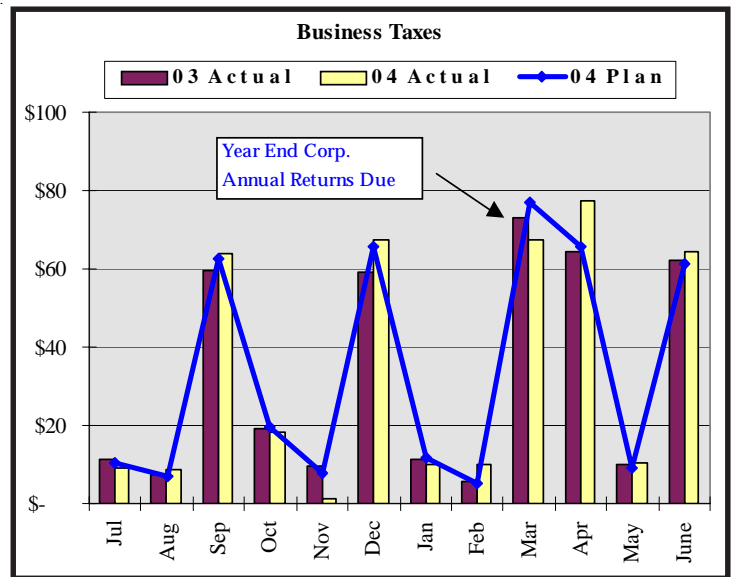
In June, the Department of Health and Human Services processed the following significant **Medicaid** transactions:

- The fiscal year 2004 Proportionate Share Payment, generated net revenue to the state of \$12.1 million, of which \$10.8 million was recorded as unrestricted revenue. An additional \$.6 million of Medicaid matching funds will be transferred to unrestricted revenue in the 13th accounting period.
- Prior period adjustments for NHH Disproportionate Share payments and routine Hospital tax payments that netted \$6.6 million.

It is anticipated that due to the size and nature of these Medicaid transactions, they will be subject to the year-end audit process and the results of this review will not be known for several months.

YTD Revenue Summary

	<u>FY 04</u>	<u>FY 03</u>	<u>Inc/(Dec)</u>
Gen & Educ	\$ 2,158.2	\$ 2049.0	\$ 109.2
Highway	\$ 226.1	\$ 216.7	\$ 9.4
Fish & Game	\$ 7.9	\$ 8.9	\$ (1.0)



General & Education Funds Comparison to FY 03

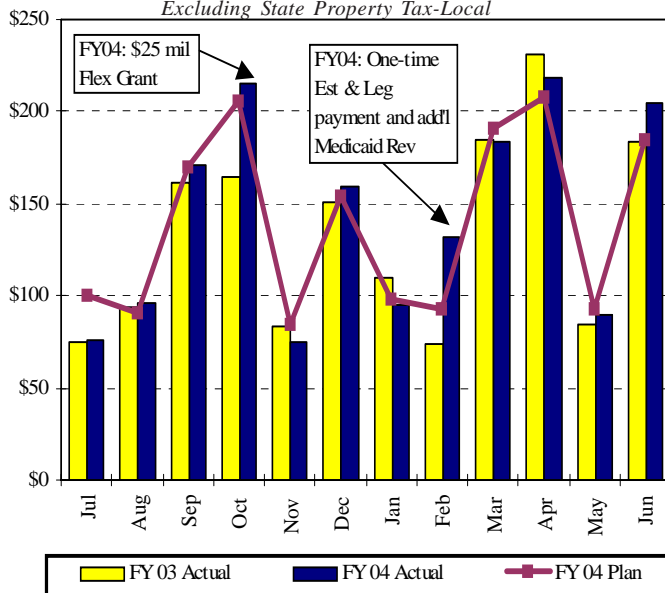
General & Education Funds	Monthly			Year-to-Date			% Inc/(Dec)
	<u>FY04</u> <u>Actuals</u>	<u>FY03</u> <u>Actuals</u>	<u>Inc/(Dec)</u>	<u>FY04</u> <u>Actuals</u>	<u>FY03</u> <u>Actuals</u>	<u>Inc/(Dec)</u>	
Business Profits Tax	\$ 29.7	\$ 27.3	\$ 2.4	\$ 171.5	\$ 174.8	\$ (3.3)	-1.9%
Business Enterprise Tax	34.7	35.0	(0.3)	236.5	218.0	18.5	8.5%
Subtotal	64.4	62.3	2.1	408.0	392.8	15.2	3.9%
Meals & Rooms Tax	15.0	14.4	0.6	184.5	175.4	9.1	5.2%
Tobacco Tax	9.1	9.6	(0.5)	99.1	94.1	5.0	5.3%
Liquor Sales and Distribution	10.6	6.7	3.9	108.8	99.0	9.8	9.9%
Interest & Dividends Tax	9.2	6.9	2.3	53.7	55.1	(1.4)	-2.5%
Insurance Tax	16.5	14.4	2.1	86.2	82.2	4.0	4.9%
Communications Tax	6.4	4.2	2.2	65.6	62.4	3.2	5.1%
Real Estate Transfer Tax	13.6	10.8	2.8	137.0	118.2	18.8	15.9%
Estate & Legacy Tax	2.5	(3.9)	6.4	35.0	59.1	(24.1)	-40.8%
Court Fines & Fees	2.4	(1.1)	3.5	27.0	22.1	4.9	22.2%
Securities Revenue	0.4	0.9	(0.5)	26.3	25.8	0.5	1.9%
Utility Tax	0.5	1.5	(1.0)	6.2	7.1	(0.9)	-12.7%
Board & Care Revenue	1.3	1.7	(0.4)	11.8	11.2	0.6	5.4%
Beer Tax	1.1	1.2	(0.1)	12.4	12.3	0.1	0.8%
Racing Revenue	0.4	0.3	0.1	4.0	4.0	-	0.0%
Flexible Grant	-	25.0	(25.0)	25.0	25.0	-	0.0%
Other	9.6	7.5	2.1	55.9	52.6	3.3	6.3%
Transfers from Sweepstakes	12.3	10.8	1.5	72.1	66.6	5.5	8.3%
Tobacco Settlement	-	0.6	(0.6)	41.8	45.9	(4.1)	-8.9%
Utility Property Tax	2.7	4.9	(2.2)	20.1	18.8	1.3	6.9%
Property Tax Not Retained Locally	-	-	-	29.8	32.7	(2.9)	-8.9%
Property Tax Retained Locally	-	-	-	443.4	453.0	(9.6)	-2.1%
Subtotal	178.0	178.7	(0.7)	1,953.7	1,915.4	38.3	2.0%
Net Medicaid Enhancement Rev	17.4	5.3	12.1	152.6	117.0	35.6	30.4%
Recoveries	4.1	-	4.1	16.8	-	16.8	100.0%
Subtotal	199.5	184.0	15.5	2,123.1	2,032.4	90.7	4.5%
Other Medicaid Enhancement Rev to Fund Net Appropriations	5.4	-	5.4	35.1	16.6	18.5	111.4%
Total	\$ 204.9	\$ 184.0	\$ 20.9	\$ 2,158.2	\$ 2,049.0	\$ 109.2	5.3%

Year-to-Date Analysis

General & Education Funds	General		Education		Total		
	Actual	Plan	Actual	Plan	Actual	Plan	Actual vs. Plan
Business Profits Tax	\$ 130.5	\$ 188.3	\$ 41.0	\$ 40.3	\$ 171.5	\$ 228.6	\$ (57.1)
Business Enterprise Tax	119.6	58.4	116.9	116.8	236.5	175.2	61.3
Subtotal	250.1	246.7	157.9	157.1	408.0	403.8	4.2
Meals & Rooms Tax	177.5	176.7	7.0	6.8	184.5	183.5	1.0
Tobacco Tax	70.5	67.5	28.6	27.4	99.1	94.9	4.2
Liquor Sales and Distribution	108.8	108.1	-	-	108.8	108.1	0.7
Interest & Dividends Tax	53.7	61.0	-	-	53.7	61.0	(7.3)
Insurance Tax	86.2	82.9	-	-	86.2	82.9	3.3
Communications Tax	65.6	66.5	-	-	65.6	66.5	(0.9)
Real Estate Transfer Tax	91.4	80.3	45.6	40.2	137.0	120.5	16.5
Estate & Legacy Tax	35.0	19.4	-	-	35.0	19.4	15.6
Court Fines & Fees	27.0	25.9	-	-	27.0	25.9	1.1
Securities Revenue	26.3	26.7	-	-	26.3	26.7	(0.4)
Utility Tax	6.2	6.1	-	-	6.2	6.1	0.1
Board & Care Revenue	11.8	10.8	-	-	11.8	10.8	1.0
Beer Tax	12.4	12.9	-	-	12.4	12.9	(0.5)
Racing Revenue	4.0	3.5	-	-	4.0	3.5	0.5
Flexible Grant	25.0	50.0	-	-	25.0	50.0	(25.0)
Other	55.9	52.9	-	-	55.9	52.9	3.0
Transfers from Sweepstakes	-	-	72.1	69.0	72.1	69.0	3.1
Tobacco Settlement	1.8	-	40.0	39.6	41.8	39.6	2.2
Utility Property Tax	-	-	20.1	19.0	20.1	19.0	1.1
Property Tax Not Retained Locally	-	-	29.8	29.9	29.8	29.9	(0.1)
Property Tax Retained Locally	-	-	443.4	443.4	443.4	443.4	-
Subtotal	1,109.2	1,097.9	844.5	832.4	1,953.7	1,930.3	23.4
Net Medicaid Enhancement Rev	152.6	140.9	-	-	152.6	140.9	11.7
Recoveries	16.8	13.3	-	-	16.8	13.3	3.5
Subtotal	1,278.6	1,252.1	844.5	832.4	2,123.1	2,084.5	38.6
Other Medicaid Enhancement Rev to Fund Net Appropriations	35.1	29.3	-	-	35.1	29.3	5.8
Total	\$ 1,313.7	\$ 1,281.4	\$ 844.5	\$ 832.4	\$ 2,158.2	\$ 2,113.8	\$ 44.4

Monthly Unrestricted Revenue

Excluding State Property Tax-Local



**Education Trust Fund
Statement of Activity - FY 2004
July 1, 2003 to June 30, 2004
Unaudited**

Description	In Millions
Beginning Balance	\$ 8.0
Unrestricted Revenue - See above	844.5
Transfers from General Fund Appropriations	57.6
Expenditures	
Education Grants & Adm Costs	(903.7)
Ending Balance	\$ 6.4

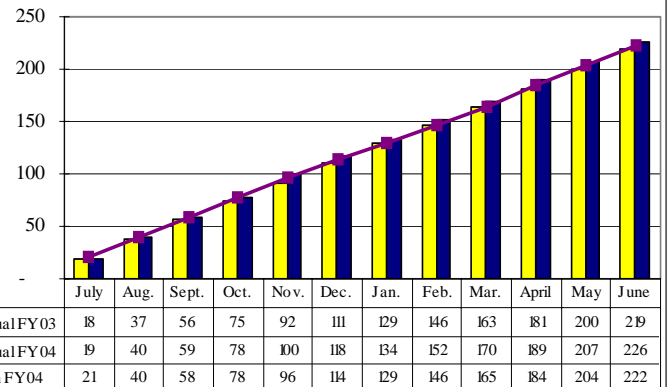


Year-to-Date Analysis

Highway Fund

Revenue Category	FY 04 Actuals	FY 04 Plan	Actual vs. Plan
Gasoline Road Toll	\$ 129.2	\$ 125.1	\$ 4.1
Miscellaneous	5.6	5.5	0.1
Motor Vehicle Fees			
MV Registrations	64.8	64.5	0.3
MV Operators	12.7	15.2	(2.5)
Inspection Station Fees	3.8	3.0	0.8
MV Miscellaneous Fees	4.1	5.1	(1.0)
Certificate of Title	5.9	3.5	2.4
Total Fees	91.3	91.3	-
Total	\$ 226.1	\$ 221.9	\$ 4.2

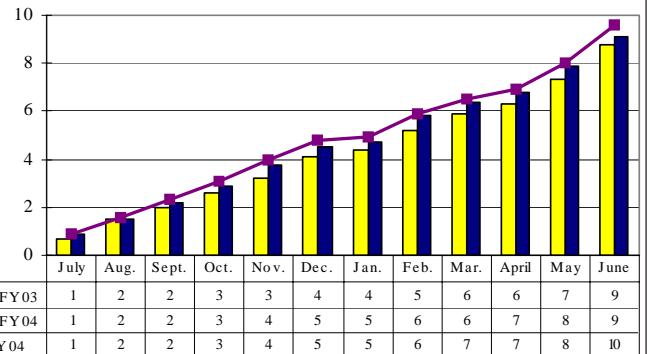
Cumulative Unrestricted Revenue



Fish & Game Fund

Revenue Category	FY 04 Actuals	FY 04 Plan	Actual vs. Plan
Fish and Game Licenses	\$ 8.3	\$ 8.3	\$ -
Fines and Penalties	.1	.1	-
Miscellaneous Sales	.1	.5	(0.4)
Federal Recoveries Indirect Costs	.6	.7	(0.1)
Total	\$ 9.1	\$ 9.6	\$ (0.5)

Cumulative Unrestricted Revenue



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